

Section 467.—Certain Payments for the Use of Property or Services

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 468.—Special Rules for Mining and Solid Waste Reclamation and Closing Costs

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 483.—Interest on Certain Deferred Payments

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 807.—Rules for Certain Reserves

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 846.—Discounted Unpaid Losses Defined

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 1274.—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property

(Also Sections 42, 280G, 382, 412, 467, 468, 482, 483, 642, 807, 846, 1288, 7520, 7872.)

Federal rates; adjusted federal rates; adjusted federal long-term rate, and the long-term exempt rate. For purposes of section 1274, 1288, 382,

and other sections of the Code, tables set forth the rates for June 1997.

Rev. Rul. 97-24

This revenue ruling provides various prescribed rates for federal income tax purposes for June 1997 (the current month.) Table 1 contains the short-term, mid-term, and long-term applicable federal rates (AFR) for the current month for purposes of section 1274(d) of the Internal Revenue Code. Table 2 contains the short-term, mid-term, and long-term adjusted applicable federal rates (adjusted AFR) for the current month for purposes of section 1288(b). Table 3 sets forth the adjusted federal long-term rate and the long-term tax-exempt rate described in section 382(f). Table 4 contains the appropriate percentages for determining the low-income housing credit described in section 42(b)(2) for buildings placed in service during the current month. Finally, Table 5 contains the federal rate for determining the present value of an annuity, an interest for life or for a term of years, or a remainder or a reversionary interest for purposes of section 7520.

REV. RUL. 97-24 TABLE 1

Applicable Federal Rates (AFR) for June 1997

| | <i>Period for Compounding</i> | | | |
|-------------------|-------------------------------|-------------------|------------------|----------------|
| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
| <i>Short-Term</i> | | | | |
| AFR | 6.23% | 6.14% | 6.09% | 6.06% |
| 110% AFR | 6.86% | 6.75% | 6.69% | 6.66% |
| 120% AFR | 7.51% | 7.37% | 7.30% | 7.26% |
| 130% AFR | 8.14% | 7.98% | 7.90% | 7.85% |
| <i>Mid-Term</i> | | | | |
| AFR | 6.80% | 6.69% | 6.63% | 6.60% |
| 110% AFR | 7.50% | 7.36% | 7.29% | 7.25% |
| 120% AFR | 8.19% | 8.03% | 7.95% | 7.90% |
| 130% AFR | 8.89% | 8.70% | 8.61% | 8.55% |
| 150% AFR | 10.29% | 10.04% | 9.92% | 9.84% |
| 175% AFR | 12.05% | 11.71% | 11.54% | 11.43% |
| <i>Long-Term</i> | | | | |
| AFR | 7.11% | 6.99% | 6.93% | 6.89% |
| 110% AFR | 7.84% | 7.69% | 7.62% | 7.57% |
| 120% AFR | 8.57% | 8.39% | 8.30% | 8.25% |
| 130% AFR | 9.30% | 9.09% | 8.99% | 8.92% |

REV. RUL. 97-24 TABLE 2

Adjusted AFR for June 1997

Period for Compounding

| | <i>Annual</i> | <i>Semiannual</i> | <i>Quarterly</i> | <i>Monthly</i> |
|-------------------------|---------------|-------------------|------------------|----------------|
| Short-term adjusted AFR | 4.10% | 4.06% | 4.04% | 4.03% |
| Mid-term adjusted AFR | 4.96% | 4.90% | 4.87% | 4.85% |
| Long-term adjusted AFR | 5.64% | 5.56% | 5.52% | 5.50% |

REV. RUL. 97-24 TABLE 3

Rates Under Section 382 for June 1997

| | |
|--|-------|
| Adjusted federal long-term rate for the current month | 5.64% |
| Long-term tax-exempt rate for ownership changes during the current month (the highest of the adjusted federal long-term rates for the current month and the prior two months.) | 5.64% |

REV. RUL. 97-24 TABLE 4

Appropriate Percentages Under Section 42(b)(2) for June 1997

| | |
|--|-------|
| Appropriate percentage for the 70% present value low-income housing credit | 8.64% |
| Appropriate percentage for the 30% present value low-income housing credit | 3.70% |

REV. RUL. 97-24 TABLE 5

Rate Under Section 7520 for June 1997

| | |
|---|------|
| Applicable federal rate for determining the present value of an annuity, an interest for life or a term of years, or a remainder or reversionary interest | 8.2% |
|---|------|

Section 1288.—Treatment of Original Issue Discount on Tax-Exempt Obligations

The adjusted applicable federal short-term, mid-term, and long-term rates are set forth for the month of June 1997. See Rev. Rul. 97-24, page 17.

Section 6621.— Determination of Interest Rate

26 CFR 301.6621-1: Interest rate.

Interest rates; underpayments and overpayments. The rate of interest determined under section 6621 of the Code for the calendar quarter beginning July 1, 1997, will be 8 percent for overpayments, 9 percent for underpayments, and 11 percent for large corporate underpayments. The rate of interest paid on the portion of a corporate overpayment exceeding \$10,000 is 6.5 percent.

Rev. Rul. 97-23

Section 6621 of the Internal Revenue Code establishes different rates for interest on tax overpayments and interest on tax underpayments. Under § 6621(a)(1), the overpayment rate is the sum of the federal short-term rate plus 2 percentage points, except the rate for the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the sum of the federal short-term rate plus 0.5 of a percentage point for interest computations made after December 31, 1994. Under § 6621(a)(2), the underpayment rate is the sum of the federal short-term rate plus 3 percentage points.

Section 6621(c) provides that for purposes of interest payable under § 6601 on any large corporate underpayment, the underpayment rate under § 6621(a)(2) is determined by substituting “5 percentage points” for “3 percentage

points.” See § 6621(c) and § 301.6621-3 of the Regulations on Procedure and Administration for the definition of a large corporate underpayment and for the rules for determining the applicable rate. Section 6621(c) and § 301.6621-3 are generally effective for periods after December 31, 1990.

Section 6621(b)(1) provides that the Secretary will determine the federal short-term rate for the first month in each calendar quarter.

Section 6621(b)(2)(A) provides that the federal short-term rate determined under § 6621(b)(1) for any month applies during the first calendar quarter beginning after such month.

Section 6621(b)(3) provides that the federal short-term rate for any month is the federal short-term rate determined during such month by the Secretary in accordance with § 1274(d), rounded to the nearest full percent (or, if a multiple